

## Message Text

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PAGE 01 QUITO 04320 292319Z  
ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00  
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02  
OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 DODE-00  
PA-01 PRS-01 FS-01 ABF-01 /058 W  
-----000663 300143Z /72

R 292230Z JUN 77  
FM AMEMBASSY QUITO  
TO SECSTATE WASHDC 4911  
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 4320

DEPT. PLEASE PASS EXIMBANK

E.O. 11652: GDS  
TAGS: EFIN EC  
SUBJ: LA PREVISORA

REF: QUITO 4160

1. EMBOFF CALLED ON DR. CARLOS CORDOVA, SUPERINTENDENT OF BANKS, JUNE 29 REGARDING GOE PROCEDURES FOR RE-PAYMENT OF LA PREVISORA'S FOREIGN CLAIMS. CORDOVA REITERATED GOE WOULD STAND BEHIND ALL FOREIGN AND DOMESTIC OBLIGATIONS OF LA PREVISORA, AND ASKED THAT EMBASSY RELAY THIS INFORMATION TO AMERICAN BANKING COMMUNITY.

2. CORDOVA SAID THAT FOREIGN CREDITORS OF LA PREVISORA SHOULD SEND ALL INFORMATION REGARDING THEIR RESPECTIVE CLAIMS TO HIS OFFICE: SUPERINTENDENCIA DE BANCOS, AVENIDA 10 DE AGOSTO 251 QUITO. CORDOVA SAID THE INFORMATION WOULD BE CHECKED CAREFULLY AGAINST LA PREVISORA'S BOOKS (SINCE THE GOE HAS ALREADY RECEIVED SEVERAL FRAUDULENT CLAIMS.) THE SUPERINTEN-  
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PAGE 02 QUITO 04320 292319Z

DENCIA DE BANCOS WILL REQUIRE AT LEAST SEVERAL WEEKS TO REVIEW A CLAIM.

3. CORDOVA REMARKED HE WAS RELIEVED THAT THE ONE-DAY RUN ON LA PREVISORA HAD BEEN ORDERLY AND THAT THE PUBLIC HAD APPARENTLY BELIEVED THE GOVERNMENT'S PROMISE TO STAND BEHIND LA PREVISORA. HE EXPRESSED

CONCERN, HOWEVER, THAT SOME LOCAL BANKS WERE STILL REFUSING TO ACCEPT CHECKS WRITTEN ON LA PREVISORA TO IMPROVE THEIR OWN COMPETITIVE POSITIONS.

4. U.S. INVESTMENT BANK LOEB-RHOADES, REPRESENTING A CONSORTIUM OF AMERICAN BANKS AND CORPORATIONS, HAD BEEN DISCUSSING THE PURCHASE OF LA PREVISORA WITH APPROPRIATE PREVISORA AND GOE OFFICIALS BEFORE THE GOVERNMENT'S ANNOUNCEMENT OF THE BANK'S PARTIAL LIQUIDATION. LOEB-RHOADES HAS INFORMED THE EMBASSY THAT IT REACHED AN AGREEMENT WITH THE GOE JUNE 27; THE CONSORTIUM WILL SUPPLY \$80 MILLION TO LA PREVISORA, AND 43 PERCENT OF PREVISORA STOCK WILL BE PURCHASED FOR LOEB-RHOADES BY ITS DIRECTORS RAUL BUENAVENTURA (ECUADORIAN CITIZEN). LOEB-RHOADES SAID IT WOULD HAVE NO OBJECTION IF THIS INFORMATION WERE TO BE PASSED TO EXIMBANK, BUT PREFERRED TO INFORM THE AMERICAN BANKING COMMUNITY DIRECTLY.  
BLOOMFIELD

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Review Markings:**  
Margaret P. Grafeld  
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